

TRANSIT SERVICE COST ALLOCATION STUDY
FOR THE
GREEN BAY URBANIZED AREA

August, 1986

By
Brown County Planning Commission

1. Report No.		2. Government Accession No.		3. Recipient's Catalog No.	
4. Title and Subtitle Green Bay Transit Cost Allocation Study Green Bay Urbanized Area				5. Report Date August, 1986	
				6. Performing Organization Code	
7. Author's Roger Kolb, Principal Planner				8. Performing Organization Report No. Brown County Planning Commission Report # _____	
9. Performing Organization Name and Address Brown County Planning Commission 100 North Jefferson Street Room 608, City Hall Green Bay, WI				10. Work Unit No. (TRAIS)	
				11. Contract or Grant No. UMTA Grant #WI-08-8011 FHWA 1986 P. L.	
12. Sponsoring Agency Name and Address U. S. Department of Transportation Urban Mass Transportation Administration Federal Highway Administration Washington, D. C. 20590				13. Type of Report and Period Covered Final Report	
				14. Sponsoring Agency Code	
15. Supplementary Notes					
16. Abstract The Green Bay Transit System is owned and operated by the City of Green Bay. Service is provided to the City of De Pere, Village of Allouez, and Village of Ashwaubenon under cost sharing service agreements. The purpose of this study is to analyze the current transit cost sharing formulas between Green Bay and the urban municipalities in terms of both operating and capital expenditures. The study report includes a detailed analysis of federal, state, and local operating and capital funding formulas and expenditures for the Green Bay Transit System from the 1974 public takeover to 1986. A survey of medium-sized public transit systems in Wisconsin was conducted in terms of local cost sharing formulas and service contracts. Study recommendations include a new depreciation "surcharge" for capital expenditures and written service contracts between Green Bay and the other municipalities.					
17. Key Words Transit Cost Allocation, Green Bay, Wisconsin, Funding Formulas, Operating Cost, Capital Cost, Depreciation			18. Distribution Statement Available to the Public through the National Technical Information Service Springfield, Virginia 22161.		
19. Security Classif. (of this report) Unclassified		20. Security Classif. (of this page) Unclassified		21. No. of Pages	22. Price

GREEN BAY TRANSIT
COST ALLOCATION STUDY
FOR THE
GREEN BAY URBANIZED AREA

Prepared by
Brown County Planning Commission

August, 1986

The preparation of this report was financed in part through a joint planning grant from the U. S. Department of Transportation Federal Highway Administration, Urban Mass Transportation Administration (UMTA Project #WI-08-8011) and the Wisconsin Department of Transportation under the provisions of Section 112 of the Federal Aid Highway Act of 1973 and the Urban Mass Transportation Administration Funding Act of 1964 (as amended). Local funding was provided by Brown County.

The contents of this report reflect the views of the Brown County Planning Commission, which is responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policy of the U. S. Department of Transportation. This report does not constitute a standard, specification, or regulation.

TABLE OF CONTENTS

A. STUDY SUMMARY	9
B. TRANSIT SYSTEM OVERVIEW	9
1. Bus System Ownership and Operation	9
2. Level of Service	11
3. Transit Service Area Population	11
C. FEDERAL AND STATE TRANSIT ASSISTANCE	13
1. Federal Transit Funding	13
2. State Transit Funding	15
D. LOCAL TRANSIT FUNDING	20
1. Operating Expense	20
2. Capital Expense	21
E. LOCAL COST SHARING ANALYSIS	24
1. Survey of Other Wisconsin Transit Systems	24
2. Local Cost Sharing Alternatives	28
F. LOCAL COST SHARING RECOMMENDATIONS	31
APPENDIX A: Green Bay Transit Capital Improvement Description and Expenditures from 1974 to 1986	33
APPENDIX B: Draft Service Contract Between the City of Green Bay and Other Municipalities	39

List of Tables

Table	Title	Page
A	Comparisons Between 1974 and 1986 Green Bay Transit Operations	12
B	Green Bay Urbanized Area Population Characteristics and Forecasts	14
C	Federal Operating and Capital Grant Transit Funding for Green Bay Transit System from 1974 to 1986	16
D	1986 Federal Transit Operating Assistance for the Green Bay Urbanized Area	17
E	State Transit Operating Assistance Expended by the Green Bay Transit System from 1974 to 1986	19
F	Local Municipality Operating Assistance for the Green Bay Transit System Operations from 1974 to 1986	22
G	Green Bay Transit Capital Improvement Expenditures from 1974 to 1986 by Improvement Type	23
H	Profile of Wisconsin Medium Sized Transit System Operations	25

A. STUDY SUMMARY

In January, 1986, the City of Green Bay Advisory Committee requested that the Green Bay Transit Commission study the current Transit Cost Allocation System for both operating and capital cost incurred by Green Bay, De Pere, Allouez, and Ashwaubenon.

The Brown County Planning Commission staff, therefore, undertook the following Transit Service Cost Allocation Study as requested by the Green Bay Transit Commission.

This study report provides a detailed analysis of federal, state, and local operating and capital funding formulas and expenditures for the Green Bay Transit System from the 1974 public takeover through 1986. A survey of 12 public transit systems in Wisconsin, operating in medium-sized urban areas, was carried out in terms of local cost sharing formulas and service contracts.

A total of three local Green Bay Transit cost sharing alternatives were developed and analyzed. The recommended alternative calls for maintaining the present operational cost sharing formula and implementing a new depreciation "surcharge" for local capital expenditures on transit facilities and equipment. It was also recommended that written service contracts between the City of Green Bay (owner of the Transit system) and De Pere, Allouez, and Ashwaubenon be executed on an annual basis. A draft copy of a proposed service contract is contained in Appendix B.

B. TRANSIT SYSTEM OVERVIEW

1. Bus System Ownership and Operation

The Wisconsin Public Service Corporation (WPSC) provided electric trolley car and bus service to the Green Bay urban area from 1916 to 1973. During the late 1960s, ridership decreases, combined with service cutbacks and rising operational losses, threatened the continuation of bus service.

In an effort to study what could be done to save the bus system, the Brown County Board formed a seven person Mass Transportation Committee in July, 1971. In September, 1971, the Mass Transportation Committee requested that the WPSC submit a proposal for selling the bus system to Brown County. A subsequent October 18, 1971 letter from WPSC to County Executive Donald Holloway offered the bus system to Brown County for the

sum of \$328,850, along with an offer to return the purchase price back to the county for operating subsidy over a five year period.

In February, 1972, the county committee recommended that continuation of bus service was an urban area problem, and that it would not be in the best interest of Brown County to own and operate the bus system. The committee felt that the formation of a metropolitan mass transit authority should be formed between Green Bay, Allouez, Ashwaubenon, and De Pere to jointly own and operate the system. In the Spring of 1972, WPSC announced that it would be filing a petition for abandonment of bus service, effective January, 1973. At the same time, efforts to form a metropolitan transit authority reached a deadend because under Wisconsin State Statutes, only counties or individual municipalities could own and operate a public transit system. The only remaining alternative was to have the City of Green Bay own and operate the system.

In June, 1972, Green Bay Mayor, Donald Tilleman, appointed a 15 member "Study Committee on Mass Transit" to study the potential city purchase and operation of the bus system. After an extensive study of the WPSC bus operation and the impact of bus service abandonment, this city committee recommended that the City of Green Bay purchase the private bus system, create a Mass Transit Commission to negotiate the purchase price, oversee the bus system operation, and file for federal transit grant funding to purchase the system and make improvements. During this same time period, De Pere, Allouez, and Ashwaubenon adopted resolutions supporting the City of Green Bay purchase of the bus system and the filing of a federal transit grant application.

The City of Green Bay then entered into a lease agreement with the WPSC to avoid abandonment of bus service. The city leased and operated the bus system from February 4, 1973 to December 31, 1973.

A five member Transit Commission was appointed by Acting Mayor, Harris Burgoyne, and approved by the Green Bay Common Council on February 6, 1973.

On April 3, 1973, city residents passed a referendum in favor of the city purchase of the bus system by a large "yes" vote of 18,347 (71 percent) to a "no" vote of 7,634 (29 percent). Finally, on December 31, 1973, the City of Green Bay purchased the WPSC bus system for an appraised value of \$270,000. An Urban Mass Transportation Administration (UMTA) Section 3 federal grant funded \$216,000 (80 percent) of the purchase price. The original purchase price of \$270,000 was also repaid to the City of Green

Bay by WPSC over the five year period of 1974 to 1978 to help offset operational expenses.

It was also agreed upon at this time that bus service would be continued to De Pere and Allouez under financial contract agreements. On September 18, 1973, the De Pere Common Council passed a resolution to request continuation of bus service to De Pere, and acceptance of cost assessments for the service. A similar resolution was passed by the Allouez Town Board on September 17, 1973 to participate financially in the operation of the Green Bay Transit System and to pay its estimated proportionate share of the operating deficit.

In 1973, De Pere and Allouez were served with one 60 minute bus route traveling down Webster Avenue into De Pere, and Ashwaubenon had no bus service. In 1975, the Village of Ashwaubenon formally requested bus service, and a 30 minute loop route within the village was initiated in February, 1976.

2. Level of Service.

When the city purchased the bus system in 1974, the level of service provided to area residents was minimal. The 12 bus fleet provided limited daytime service over nine routes. Major service improvements were implemented in 1975 upon the delivery of six new buses, and over the period of 1975 to 1984, an additional 11 buses were purchased to provide new and expanded bus routes and service hours.

All route and service improvements implemented over the years were directly based on service requests from area residents, businesses, schools (University of Wisconsin - Green Bay (UW-GB) and Northeast Wisconsin Technical Institute (NWTI)), and local elected officials. A comprehensive transit planning process carried out by the Brown County Planning Commission has guided the Green Bay Transit Commission in implementing the most cost-effective and productive service improvements.

The Green Bay Transit System 1985-1989 Transit Development Program, March 1985 represents the current five year operating and capital improvement plan for the transit system. See Table A for a comparison of system operations between 1974 and 1986.

3. Transit Service Area Populations

The Green Bay urbanized area, as defined by the U. S. Census Bureau for U. S. Department of Transportation (DOT) federal highway and transit funding allocations, consists of the entire

TABLE A
 COMPARISONS BETWEEN 1974 AND 1986
 GREEN BAY TRANSIT OPERATIONS

	1974	1986
1. Bus Fleet	12	29
2. Bus Routes	10	16
3. Daily Route Miles	1,637	4,270
4. Annual Revenue Miles	478,900	1,212,800
5. Daily Schedule Hours	124	293
6. Weekday Operating Hours	12 (6:00 A.M. - 6:00 P.M.)	16 (6:00 A.M. - 10:00 P.M.)
7. Annual Passengers	815,300	2,397,500
8. Operating Funds		
A. Passenger Revenue	\$202,500	\$562,000
B. Federal UMTA	0	623,300
C. State WDOT	101,500	944,500 ²
D. Local Municipalities	51,300	348,200
E. Other Revenue	<u>53,600¹</u>	<u>40,700</u>
TOTAL FUNDING	\$408,900	\$2,518,700

¹

Includes WPSC Repayment of Bus System purchase in the amount of \$50,030.

²

Municipality funding is as follows: Green Bay = \$283,800, DePere = \$17,200, Ashwaubenon = \$28,000, Allouez = \$19,200

City of Green Bay, City of De Pere, Village of Allouez, Village of Ashwaubenon, Village of Howard, and a portion of the Town of Bellevue (primarily north of STH 172). The total urban area is approximately 82 square miles, which represents 15.6 percent of Brown County's 525 square miles.

Based on municipality population estimates from the Wisconsin Department of Administration (DOA), the 1985 urbanized area population was 151,258. This represents 81.2 percent of Brown County's 1985 population estimate of 186,176.

Transit service is provided to area residents of Green Bay, De Pere, Allouez, and Ashwaubenon. The residents of Howard voted down a referendum for new bus service to the village in 1976, and no formal request for transit service has since been made by the Village Board. The Town of Bellevue is an extremely fast growing community, and was considered a rural town until the last 1980 U. S. Census was conducted and new urban area boundaries were established. Future transit service to Bellevue will be considered as it continues to grow and become more urbanized. The Green Bay Transit System 1985-1989 Transit Development Program, March, 1983 addresses existing urban residential areas not currently provided with bus service, and identifies potential new service areas with sufficient population size and density to warrant bus service within the five year period of 1985-1989. Existing transit service is within walking distance (approximately three to four blocks) of an estimated 132,000 urban area residents, which represents 87 percent of the total urban population. See Table B for existing and forecasted urban area population by municipality.

C. FEDERAL AND STATE TRANSIT ASSISTANCE

1. Federal Transit Funding

The Urban Mass Transportation Act of 1964, established the first federal transit funding program for urban transit system. Federal funding for capital improvement projects was provided on an 80/20 matching basis under the Section 3 Program.

The City of Green Bay was awarded an UMTA Section 3 capital grant in December, 1973 to purchase the private bus system, six new buses, bus shelters, and garage maintenance equipment. No federal or state operating assistance was available when the city acquired the WPSC bus system.

Section 5 of the Urban Mass Transportation act of 1964, enacted

TABLE B
GREEN BAY URBANIZED AREA
POPULATION CHARACTERISTICS AND FORECASTS

<u>Urban Area Municipality</u>	<u>1970</u> <u>(U.S.Census)</u>	<u>1980</u> <u>(U.S.Census)</u>	<u>1985</u> <u>(Estimate)</u> ¹	<u>1990</u> <u>(Estimate)</u> ¹
City of Green Bay	87,809	87,899	91,680	91,866
City of De Pere	13,309	14,892	16,206	17,346
Village of Ashwaubenon	10,042	14,486	15,645	16,668
Village of Howard	4,911	8,240	8,995	9,957
Town of Allouez	13,753	14,882	15,632	16,492
Town of Bellevue	Rural	2,289	3,100	3,640
		<u>Urban)</u>	<u>(Urban)</u>	<u>(Urban)</u>
TOTAL URBAN AREA	129,824	142,688	151,258	155,969
Brown County	158,244	175,280	186,176	193,500

¹ Population estimates made by the Wisconsin Department of Administration in January, 1985.

funded the maximum allowable 50 percent of deficit. Unexpended Section 5 carryover funds, in the amount of \$228,685, were combined with \$590,125 in new Section 9 funding for a total funding level of \$818,810. In 1986, the maximum federal operating funds available to Green Bay is the Section 9 operating cap of \$623,292. Carryover transit funds from the old Section 5 Grant Program were completely exhausted in 1985 for Green Bay.

See Table C for a summary of all the federal operating and capital funds expended on the Green Bay Transit System from 1974 to 1986. For details on specific capital expenditures by year, see Appendix A.

The Federal Surface Transportation Act of 1982, under which current transit funding is authorized, expires on September 30, 1986. A new transportation authorization bill will most likely be enacted in 1986, which could change the existing transit funding allocation formulas and operating assistance "cap".

2. State Transit Funding

Wisconsin provides transit operating assistance to state transit operations, but does not provide capital assistance. A one-time state capital assistance program was created in the 1979 State Budget Act for the purchase of buses. The program lasted only two years and was eliminated in 1981.

The State Transit Operating Assistance Program, administered by the WDOT, was created in 1973 prior to any federal operating assistance legislation. As shown on Table E, the Green Bay Transit System will have received \$5,469,448 in state operating assistance over the period of 1974 to 1986. State financing of transit operations has greatly helped Green Bay and other Wisconsin transit systems to improve service levels, increase ridership, and maintain reasonable passenger fare levels.

The original state funding formula was two thirds of the operating deficit from 1974 to 1981. In 1982, the state changed the formula from a deficit-based allocation of operating assistance to a cost-based allocation. This allowed municipalities to keep any additional local revenues derived from passenger fares or other sources, such as on-bus advertising.

Under the old deficit-based system, reducing the operating deficit by increasing local revenue resulted in less state aid received. The state funding formula, therefore, became 30 percent of total operating cost in calendar 1982. The state distribution formula has since been raised to 35 percent of

TABLE C
 FEDERAL OPERATING AND CAPITAL GRANT
 TRANSIT FUNDING FOR GREEN BAY TRRRANSIT SYSTEM
 FROM 1974 TO 1986

Calendar Year	Total UMTA Funds Expended	UMTA SEC. 3/5/9 80% Capital Funds	UMTA SEC. 5/9 OPERATING ASSISTANCE	
			UMTA Funds Expended	Percent of Operating Expense
1974	\$216,000	\$216,000	0	0
1975	533,256	435,168	\$98,088	19%
1976	202,435	17,390	185,045	28%
1977	329,419	59,940	269,479	33%
1978	359,508	30,083	329,425	32%
1979	468,750	32,761	435,989	34%
1980	1,071,781	545,444	526,337	34%
1981	742,783	74,472	668,311	36%
1982	991,310	324,837	666,473	35%
1983	1,448,199	683,311	764,888	37%
1984	1,629,239	790,819	838,420	37%
1985	912,797	93,987	818,810	37%
1986	<u>1,301,850</u>	<u>678,558</u>	<u>623,292</u>	<u>25%</u>
TOTAL	\$10,207,327	\$3,982,770	\$6,224,557	Average = 33%

TABLE D
1986 FEDERAL TRANSIT OPERATING ASSISTANCE
FOR THE
GREEN BAY URBANIZED AREA

<u>Municipality</u>	<u>Green Bay Transit Service Area</u>		<u>Federal Transit Operating Funds</u>	
	<u>1985 Population Estimate</u>	<u>Percent of Service Area</u>	<u>1986 UMTA Sec. 9 Funding</u>	<u>Percent of Allocation</u> ¹
Green Bay	\$ 91,680	65.9%	\$507,983	81.5%
De Pere	16,206	11.6%	30,853	5.0%
Ashwaubenon	15,645	11.3%	50,175	8.0%
Allouez	<u>15,632</u>	<u>11.2%</u>	<u>34,281</u>	<u>5.5%</u>
TOTAL	\$139,163	100.0%	\$623,292 ²	100.0%

¹ Federal funding allocation to municipalities is distributed, based on the percentage of bus revenue miles operated within each community.

² Represents UMTA Section 9 operating cap for the Green Bay Urbanized Area. Funding allocation is based on a national formula, using 1980 population and population density of the entire urban area. 1980 urban area population is 142,688, which includes the Village of Howard (8,240) and a portion of Bellevue (2,289).

by Congress in November, 1974, created the first federal operating assistance program, funding up to 50 percent of an urban area's transit system deficit. The federally defined deficit is basically total eligible operating expenses minus farebox revenue.

Between 1975 and 1983, annual appropriations of UMTA Section 5 funds were apportioned to the Green Bay urbanized area under a formula based 50 percent on urban area population and 50 percent on population density. Annual capital and operating assistance grants were filed by the City of Green Bay, the designated federal transit aid recipient for the Green Bay urbanized area, for 80 percent federal funds on all capital improvements and 50 percent deficit funding for operations. The funding allocation was generally larger than the grant applications, which resulted in a balance of carryover funds. The federal Section 5 carryover funds could be expanded up to three fiscal years after they were appropriated.

The Surface Transportation Act of 1982 eliminated the federal Section 5 Capital and Operating Assistance Program and replaced it with a new Section 9 Funding Program for Capital and Operating Assistance. The new Section 9 Program continued to provide transit funding allocations to each urbanized area, based on population and population density, and maintained the 80/20 capital and 50 percent deficit funding ratios. A major change in the Section 9 Program was the creation of "cap" level of federal funding allowed for operating assistance. In urbanized areas the size of Green Bay (under 200,000 population) the limit on operating funds amounted to 95 percent of the urban area's total FY 1982 Section 5 appropriation. For Green Bay, this operating assistance "cap" amounts to \$623,292. Unexpended carryover Section 5 funds remained available for capital or supplemental operating assistance through 1985.

In urban areas with less than 200,000 population, federal transit funds, under the UMTA Section 9 Program, are allocated directly to the Governor of the State. In Wisconsin, the Governor has delegated the responsibility for making the appropriate Federal Section 9 funding allocations to individual urban areas to the Wisconsin Department of Transportation (WDOT). Under an allocation system implemented in calendar 1985, WDOT allocates only the maximum allowable Section 9 operating "cap" to individual urban areas. The remaining balance of UMTA Section 9 funds are held by WDOT in a "capital funding pool" to be distributed on an "as needed" basis.

Green Bay Transit federal operating assistance in calendar 1985

TABLE E
STATE TRANSIT OPERATING ASSISTANCE EXPENDED
BY THE GREEN BAY TRANSIT SYSTEM
FROM 1974 TO 1986

<u>Calendar Year</u>	<u>State Operating Assistance</u>	<u>State Funds as % of Expenses</u>	<u>Change from Previous Year</u>
1974	\$101,473	25%	+\$101,473 (1st Year)
1975	87,725	17%	- \$13,748
1976	81,139	12%	- \$6,586
1977	93,884	11%	+ \$12,745
1978	177,629	18%	+ \$83,745
1979	277,021	21%	+ \$99,392
1980	371,590	24%	+ \$94,569
1981	492,056	26%	+\$120,466
1982	597,959	30%	+\$105,903
1983	637,041	30%	+ \$39,082
1984	820,093	35%	+\$183,052
1985	787,339	35%	- \$32,754 ¹
1986 (Estimate)	<u>944,499</u>	<u>37.5%</u>	<u>+\$157,160</u>
TOTAL	\$5,469,448	Average = 29%	

¹ State Funding decline due to reduced operating expense in 1985, as compared to 1984.

expenses in 1984, and 37 1/2 percent of expenses beginning in 1986. The current 37 1/2 percent of expense state funding formula was approved as part of the 1985 State Budget Act, which covers state fiscal years 1986 and 1987 (July 1, 1985 - June 30, 1987). The source of revenue for the state's transit assistance program is the segregated transportation fund, which includes all state motor fuel taxes, motor vehicle registration fees, and driver's license fees. State motor fuel taxes, which comprise 65 percent of the transportation fund revenues, were "indexed" as of April 1, 1985 to account for changes in motor fuel consumption and increased transportation program costs. The gas tax indexing system will insure that the State Transportation Fund will remain in sound financial shape in upcoming years. The current state gas tax is 17.5 cents per gallon.

The state operating assistance will continue in the future, but the funding ratio formula may be changed. There are currently 38 municipalities and counties in Wisconsin receiving state transit operating assistance, ranging in size from the very large Milwaukee County Transit System to a small shared-ride taxi service in Ripon.

The level of future state participation in funding urban transit system operations will again be studied and discussed by the Wisconsin State Legislature as part of the upcoming new 1987 State Budget Act to be adopted by July 1, 1987 for fiscal years 1988 and 1989 (July 1, 1987 to June 30, 1989).

D. LOCAL TRANSIT FUNDING

1. Operating Expense

The City of Green Bay owns and operates the Green Bay Transit System and is the "designated recipient" of federal and state operating and capital assistance. Operational cost-sharing agreements between Green Bay, De Pere, Allouez, and Ashwaubenon for bus service are basically the same today as originally agreed upon between the municipalities in 1973.

The operating cost allocation formula is relatively simple, whereby each community is charged for the level of bus service operated, and credited for farebox revenue collected within its municipality. As part of the budget process each Fall, the total operating expenses are divided by total estimated bus miles to arrive at a cost per mile figure. On a monthly basis, operating expenses are calculated by multiplying the budgeted cost per mile figure times the total bus miles (revenue and deadhead) traveled

within each municipality. Daily farebox revenue is counted separately for each route serving Ashwaubenon, Allouez, and De Pere, and credited against their operating expenses. The transit system bills each municipality for the total monthly operating deficit (expense minus farebox revenue). As the federal and state operating assistance is received during the year, the transit system reimburses each municipality, based on its percent of total bus miles operated. Throughout the calendar year, all the monthly billings are based on a budgeted expense per mile estimate. Upon completion of the financial audit, the billings are reconciled to actual expenses. Any overcharges, as a result of lower than anticipated actual expenses, are reimbursed to the individual municipalities. Operating expenses billed to the municipalities include all salary, fringes, bus and building maintenance, utilities, insurance, marketing, printing, fuel, and office expense. Federal and state regulations strictly govern what is considered an "eligible" transit operating expense. Special charter and contract services are not eligible for federal or state assistance. Also vehicle and building depreciation is "not" an eligible operating expense.

Due to the excellent working relationship between the transit system and the communities receiving bus service, there has never been any written service contracts. When the operating budget and state operating assistance grant application is developed in the Fall preceding the new calendar year; Ashwaubenon, Allouez, and De Pere Administrators are informed as to what they should budget for transit service cost in the upcoming year. Over the years, this bus operational cost sharing and billing process used by Green Bay Transit has undergone extensive review and approval by federal (UMTA), state (WDOT) and local (Jonet, Fountain, Vande Loo and Glaser, C.P.A.) financial auditors.

The level of local operating funding has varied substantially over the years, ranging from zero in both 1984 and 1985 to a high of \$348,174 in 1986. Major factors affecting the amount of local funding are federal and state operating assistance, the level of service operated, farebox revenue, and other revenue from on-bus advertising and interest. See Table F for a summary of local operating assistance expended on Green Bay Transit operations from 1974 to 1986.

2. Capital Expense

Since the City of Green Bay purchased the WPSC bus system on December 31, 1973, all capital expenditures have been funded with city, federal, and state funds. Capital improvement expenditures, as shown on Table G, from 1974 to 1986 amount to

TABLE F
 LOCAL MUNICIPALITY OPERATING ASSISTANCE
 FOR THE GREEN BAY TRANSIT SYSTEM OPERATIONS
 FROM 1974 TO 1986

Calendar Year	Total Municipality Operating Funds	Percent of Operating Expense	City of Green Bay	City of De Pere	Village of Allouez	Village of Ashwaubenon
1974	\$51,328	13%	\$46,508	\$ 2,936	\$ 1,884	0 (No Service)
1975	43,863	9%	38,893	2,821	2,149	0 (No Service)
1976	59,789	9%	44,189	6,381	1,377	7,842
1977	112,743	14%	79,720	21,444	3,112	8,467
1978	87,299	9%	70,660	5,203	2,462	8,974
1979	158,808	12%	125,141	11,116	3,907	18,644
1980	127,792	8%	104,317	7,028	2,696	13,751
1981	147,396	8%	122,782	8,018	3,375	13,221
1982	38,403	2%	30,876	1,797	2,116	3,614
1983	76,571	4%	61,731	3,706	4,120	7,014
1984	0	0%	0	0	0	0
1985	0	0%	0	0	0	0
1986	<u>348,174</u>	<u>14%</u>	<u>283,762</u>	<u>17,235</u>	<u>19,150</u>	<u>28,027</u>
TOTAL	\$1,252,166	7%	\$1,008,579	\$87,685	\$46,348	\$109,554
		Average				

TABLE G
 GREEN BAY TRANSIT CAPITAL IMPROVEMENT EXPENDITURES
 FROM 1974 TO 1986
 BY IMPROVEMENT TYPE

<u>Improvement Type</u>	<u>Total Cost</u>	<u>Federal UMTA Funds</u>	<u>City of Green Bay Funds</u>	<u>State WDOT Funds</u>
1. <u>Bus Equipment</u>				
Buses, mobile radios, fareboxes	\$2,793,665	\$2,234,931	\$502,840	\$55,894
2. <u>Garage Facility</u>				
Bus garage purchase, renovation, expansion, and land acquisition	\$1,678,803	\$1,302,853	\$375,950	0
3. <u>Passenger Waiting Facilities</u>				
Bus shelters, bus stop signs, Adams Street Transitway	\$452,572	\$362,055	\$90,517	0
4. <u>Maintenance/Office Equipment</u>				
Service trucks, fork lift, maintenance equipment, office computer	\$110,272	\$82,931	\$27,341	0
TOTAL	\$5,035,312	\$3,982,770	\$996,648	\$55,894

\$5,035,312. All major capital expenditures have been funded with 80 percent federal funds under UMTA Section 3/5/9 capital grants. The City of Green Bay has received a total of \$3,982,770 in federal capital improvement funds, and expended \$996,648 in matching 20 percent local funds. State funding, in the amount of \$55,894, was received in 1983 to supplement local funding for the purchase of six new buses in 1983. The short-lived state capital assistance program for the purchase of buses existed for only a two year period.

The City of Green Bay has paid for all of the required 20 percent local share on all capital purchases and construction projects. Transit service agreements with De Pere, Allouez, and Ashwaubenon have strictly dealt with operating expenses and not capital improvements. Equipment and facility depreciation charges are not considered an eligible operating expense as per UMTA and WDOT guidelines and regulations. Depreciation has never been charged to De Pere, Allouez, and Ashwaubenon.

The City of Green Bay, therefore, has clear title to all transit equipment and facilities. If transit service were to be eliminated in De Pere, Allouez, or Ashwaubenon, there would be no reimbursement of contributed capital. UMTA regulations require that all equipment and facilities purchased with 80 percent federal funds be inventoried and identified. If any federally financed facilities or equipment are sold, 80 percent of the selling price must be returned to UMTA.

E. LOCAL COST SHARING ANALYSIS

1. Survey of Other Wisconsin Transit Systems

There are 12 public transit systems in Wisconsin operating in medium-sized (population between 50,000 and 200,000) urban areas. These include: Green Bay, Appleton, Beloit, Eau Claire, Janesville, Kenosha, LaCrosse, Oshkosh, Racine, Sheboygan, Waukesha, and Wausau. The systems vary in size and level of service, as seen on Table H, but all operate similar type fixed route bus service with federal and state operating assistance.

An initial screening of the system operations was carried out to determine which bus operations provide services to more than one municipality within its service area. The 1984 Wisconsin Urban Mass Transit Annual Report, published by the WDOT was used to screen the transit system operations.

Of the medium size transit operations, Green Bay is one of the

TABLE H
 PROFILE OF WISCONSIN MEDIUM SIZE
 TRANSIT SYSTEM OPERATIONS

Transit System	1980 Service Area Population	Number of Municipalities Served	Active Bus Fleet	Bus Miles (000)	1986 Transit Operations	
					Operating Revenue (000)	Operating Expense (000)
Green Bay	132,159	4	29	1,226	\$603	\$2,519
Racine	130,135	4	39	1,328	764	3,043
Appleton	124,703	8	38	1,100	442	2,676
Kenosha	93,000	1	30	730	435	2,018
Waukesha	70,592	4	14	442	195	979
Eau Claire	67,747	2	20	634	207	1,315
Sheboygan	54,989	3	33	825	459	1,663
LaCrosse	53,967	2	29	709	507	1,768
Oshkosh	51,108	1	26	593	390	1,417
Janesville	51,071	1	22	464	149	959
Wausau	37,990	3	23	450	310	960
Beloit	35,207	1	16	250	121	671

1 Operating Revenue includes passenger fares and other revenue, such as on-bus advertising.

largest in terms of bus miles traveled and population served. Outside of Green Bay, Racine, Waukesha, Sheboygan, and Wausau serve more than two municipalities within their urban area.

A phone survey of these five transit operators, serving more than two municipalities, was carried out to determine what type of operational and capital cost sharing arrangements existed between the municipalities.

All of the transit systems contacted use basically the same formula as Green Bay for sharing the transit operational cost between municipalities. A budgeted expense per mile (or expense per hour) figure is multiplied by bus miles traveled within each municipality, to arrive at total operating expense per municipality. In all cases, farebox revenue collected within each municipality is credited against operating expense. The frequency of billing the municipalities varies between systems. Green Bay was found to be the only system which bills the municipalities on a monthly basis. Most of the other systems billed on a quarterly basis, as per their annual service agreements. All the other systems, outside of Green Bay, have written service agreements between the operating city and the outlying municipalities.

None of the systems surveyed shared capital improvement costs with outlying municipalities. In all cases, the owner and operator of the system used 80 percent UMTA funding for capital improvements, and paid the entire 20 percent local share. Both Appleton and Racine include a facility and equipment depreciation expense within their overall operational expense charge to the other municipalities. Service contracts and cost allocation methods used by Appleton, Racine, and Sheboygan were further studied as to their potential use in Green Bay. Both Appleton and Racine transit operations are very similar to Green Bay in terms of service level and area population. Sheboygan is somewhat smaller than Green Bay, but provides an excellent level of service to area residents. An overview of each of the three systems is as follows:

Appleton (Valley Transit System)

Valley Transit is owned and operated by the City of Appleton. The system has 19 regular bus routes covering 160 route miles on weekdays and Saturdays with no evening service. Appleton's 1986 transit operating budget is \$2,676,000, with farebox and other revenues of \$442,000. The City of Appleton had a 1980 population of 59,032, and a transit service area population of 124,703. Transit service outside of Appleton is provided to Kaukauna,

Neenah, Menasha, Kimberly, Little Chute, Combined Locks, and Grand Chute under written service contracts.

A depreciation charge for equipment and facilities is billed to Appleton and the other seven communities receiving transit service. The depreciation charge is based on bus miles traveled within each municipality. It is considered a "surcharge" and is kept in a segregated account to be used only for capital purchases. For capital items purchased with 80 percent federal funds, the municipalities are billed for only 20 percent of the depreciation cost. The segregated depreciation fund currently has \$85,000 which will be used for future capital expenditures. Annual interest from the fund is returned to the municipalities. If a capital item specifically benefits one municipality, that municipality is required to pay the full local matching share. When any capital item is sold, the proceeds revert back to the depreciation fund. All depreciation contributions by individual municipalities are accounted for and, if service is terminated within a community, its proportionate depreciation payment is returned to the municipality.

The overall formula has been in effect and working very well since 1978. It took over a year for all the municipalities to agree to the formula. On a service level basis, the City of Appleton comprises 75 percent of the service. When major capital purchases arise, such as the new 3.5 million dollar bus garage constructed in 1983, the City of Appleton bonded for a majority of the 20 percent local share.

Racine

Racine Transit is owned and operated by the City of Racine. The system has 12 regular routes covering 162 route miles on weekdays and Saturdays with no evening service. The 1986 operating budget is \$3,043,000, with farebox and other revenues of \$764,000. The City of Racine had a 1980 population of 85,725, with a transit service area population of 130,135. Transit service outside of Racine is provided to Caledonia, Mt. Pleasant, and Sturtevant. Racine also has special service contracts with the University of Wisconsin - Parkside and the Racine School District.

Service contracts between Racine and the other municipalities basically consist of the same formula used in Green Bay. Each community is billed for the operating expense, minus farebox revenue. A budget figure for overall system expense per mile is multiplied by the number of bus miles traveled within the municipality. Each municipality is given credit for federal and state operating assistance.

Racine pays for all the capital cost, including the 20 percent local share on federal grants. Depreciation for equipment and facilities is included in the expense per mile figure billed to the municipalities.

Sheboygan

The Sheboygan Transit System is owned and operated by the City of Sheboygan. The system has nine regular routes covering 124 route miles on weekdays and Saturdays, including weekday evening service. Sheboygan's 1986 transit operating budget amounts to \$1,663,000, with \$459,000 in farebox and other revenue. The City of Sheboygan had a 1980 population of 48,085, and a transit service area population of 54,989. Transit service outside of Sheboygan is provided to Sheboygan Falls and Kohler, under written service contracts.

No depreciation charge is billed to the municipalities and Sheboygan pays 100 percent of the capital cost, including the 20 percent local share on federal grants. All the municipalities are billed for operating cost in the same manner as used in Green Bay and most of the other transit systems in Wisconsin. An expense per mile figure is first calculated as part of the budget process. The municipalities are then charged for bus miles operated in their communities and credited for farebox revenue collected.

2. Local Cost Sharing Alternatives

In consideration of municipal transit service agreements used by other similar sized public transit operators in Wisconsin, Green Bay Transit should consider the following cost sharing alternatives:

a. Alternative #1

The first alternative would be to make no changes to present transit cost sharing agreements between Green Bay, De Pere, Allouez, and Ashwaubenon. The existing system of charging each municipality its local share of operating cost based on actual bus miles traveled and passenger fares collected within its community, is a fair and widely accepted method of sharing operational cost. The City of Green Bay, as the owner and operator of the bus system, could also continue to carry out capital improvements with 80 percent federal assistance and 20 percent city funds. By having the city continue to fund the entire 20 percent local share, clear ownership and title to the buses and transit facilities

would be maintained. If service was to be discontinued in De Pere, Allouez, or Ashwaubenon, the City of Green Bay would not have to reimburse capital contributions to the municipality losing the service.

b. Alternative #2

A second alternative would be to maintain the present operational cost sharing formula and include a separate depreciation "surcharge" for transit facilities and equipment, similar to the formula used by Valley Transit in Appleton. Valley Transit bills the City of Appleton and the seven other municipalities an annual "surcharge", based on bus miles traveled within each community and a 12 year depreciation rate on facilities and equipment. The surcharge funds received from each municipality is kept in a segregated account to be used for future capital purchases. There is a provision in the service contract, whereby if Valley Transit were to cease operations, the balance of the depreciation account would be returned to the municipalities in the same ratio as it was paid in.

As stated previously, depreciation expense is not eligible for federal or state operating assistance. A depreciation "surcharge" would, therefore, have to be segregated from normal operating expenses charged to each municipality. A depreciation expense is included in the annual transit system financial audits conducted by Jonet, Fountain, Vande Loo and Glaser, C.P.A. In calendar 1985, the total depreciation expense, as stated in the financial audit report, amounted to \$252,611. Depreciation is calculated based on the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. Depreciable assets include the bus garage office and maintenance building, 29 buses, service vehicles and garage maintenance equipment, office furniture, 22 bus shelters, and the Adams Street Transitway facilities. Nearly all the depreciable assets have been purchased with 80 percent federal transit grant funds and 20 percent City of Green Bay funding. Any depreciation surcharge to the municipalities would have to be based on the non-federal 20 percent contributed capital, and bus miles traveled within each community.

In using the calendar 1985 depreciation cost of \$252,611, the 20 percent local share of contributed

capital, and the current bus mile ratio, the depreciation charge would amount to the following:

<u>Municipality</u>	1986 <u>Share of Bus Miles</u>	Depreciation <u>Surcharge</u>	1986 <u>Local Operating Assistance</u>
Green Bay	81.50%	\$41,175	\$283,762
De Pere	4.95%	2,501	17,235
Ashwaubenon	8.05%	4,067	28,028
Allouez	<u>5.50%</u>	<u>2,779</u>	<u>19,150</u>
TOTAL	100.00%	\$50,522 (20%)	\$348,174

Since the City of Green Bay funded the entire 20 percent local share of the capital expenses, the city should not be charged a depreciation surcharge. The total surcharge from De Pere, Ashwaubenon, and Allouez would amount to \$9,347, to be kept in a segregated capital depreciation account for use in funding the local share of new equipment and facility improvements.

c. Alternative #3

The third alternative would be to maintain the existing operational cost sharing formula, and charge "all" the participating municipalities for the 20 percent local capital cost of new equipment and facility improvements based on their share of bus miles. If bus service were to be eliminated in a given community, the contributed capital paid by the municipality would have to be returned. For example, if bus service was discontinued in Ashwaubenon, Ashwaubenon's contributed capital for new replacement buses or garage improvements would be very difficult to pay back, since the buses and garage would not be liquidated as a result of the minor service cutback. Also, approval for the purchase of any new buses or other capital improvements would have to be obtained from each of the four individual municipalities contributing to the 20 percent non-federal share. Following is a calculation of the 20 percent local capital funding on the proposed calendar 1987 UMTA capital grant for the purchase of three new replacement buses and 10 bus shelters:

<u>Municipality</u>	<u>1986 Share of Bus Miles</u>	<u>20 Percent Local Capital Cost</u>
Green Bay	81.50%	\$74,491
De Pere	4.95%	4,524
Ashwaubenon	8.05%	7,358
Allouez	<u>5.50%</u>	<u>5,027</u>
	100.00%	\$91,400

F. LOCAL COST SHARING RECOMMENDATIONS

In consideration of the three previously stated local cost sharing alternatives for the Green Bay Transit System, Alternative #2 is the most feasible method of having De Pere, Allouez, and Ashwaubenon share in the capital cost. The depreciation "surcharge" method is a fair and equitable means of charging the municipalities for the purchase of buses, bus shelters, and facility improvements. The "surcharge" to De Pere, Allouez, and Ashwaubenon is a simple equipment and facility usage charge, which can be easily segregated from the normal operating assistance payments.

Alternative #2 would present problems in terms of potential delays in obtaining approval of capital purchases from four individual municipalities, entitlement to equipment and facilities, and the payback of contributed capital if service cuts were to be implemented. The survey of other Wisconsin transit systems found two systems using a depreciation surcharge and "no" systems requesting a share of 20 percent contributed capital from other municipalities.

A summary of this transit service cost allocation study recommendations is as follows:

1. Depreciation "Surcharge"

Beginning in calendar 1987, charge De Pere, Allouez, and Ashwaubenon a depreciation "surcharge" based on their estimated 1987 ratio of bus miles and the audited 1986 total facility and equipment depreciation expense. Surcharge funds received from the municipalities should be deposited in a "separate" interest bearing account to be used to offset the City of Green Bay's 20

percent local share of UMTA funded capital improvements. If service were to be totally eliminated within a municipality, the municipality would be paid back its proportionate share of depreciation payments from the balance of the current year's depreciation fund account.

2. Service Contracts

Service contracts should be signed on an annual calendar year basis between the City of Green Bay and De Pere, Allouez, and Ashwaubenon. The service contracts should specify the level of service, passenger fares, anticipated state and federal operating assistance, the depreciation "surcharge", and insurance coverage. See Appendix B for a draft copy of a proposed service contract between Green Bay and the municipalities.

3. Operating Assistance

Maintain the existing operating assistance formula, whereby each municipality is billed for its proportionate share of the operating deficit, based upon its percentage of total bus miles operated, and reimbursed for state and federal operating assistance as it is received by the City of Green Bay. The current monthly billing process creates unnecessary administrative work. Each municipality should be billed for four equal quarterly payments, based on the approved calendar year budget and the Wisconsin Department of Transportation operating assistance contract. Reconciliation of the actual operational deficit will be made, based on the annual calendar year financial audit.

See the draft Green Bay Transit Service Agreement in Appendix B for details on the recommended method of allocating transit operating and depreciation cost between the municipalities.

APPENDIX A

GREEN BAY TRANSIT
CAPITAL IMPROVEMENT DESCRIPTION AND EXPENDITURES
FROM 1974 TO 1986

APPENDIX A
 GREEN BAY TRANSIT CAPITAL IMPROVEMENT
 DESCRIPTION AND EXPENDITURES
 FROM 1974 TO 1986

1. <u>Bus Equipment</u>						
<u>Calendar Year</u>	<u>Item</u>	<u>Total Cost</u>	<u>Federal UTMA Funds</u>	<u>City of Green Bay Funds</u>		
1974	12 Used GMC buses from WPSC	\$ 248,500	\$ 198,800	\$ 49,700		
1975	6 New GMC buses	269,761	215,808	53,953		
1977	1 Used GMC bus from Ashland	42,826	34,261	8,565		
1978	1 Mobile radio, 1 portable radio, 1 pager	2,624	2,099	525		
1980	4 New GMC buses	459,480	367,584	91,896		
1980	4 Mobile radios	5,600	4,480	1,120		
1980	23 Fareboxes, cash vault, receivers	72,757	58,205	14,552		
1982	6 Mobile radios	8,882	7,106	1,7		
1983	6 New Neoplan buses with fareboxes	854,139	683,311	114,934 (\$55,894 State)		
1986	6 New Flxible buses with fareboxes	793,292	634,634	158,658		
1986	3 Mobile radios	<u>3,705</u>	<u>2,964</u>	<u>741</u>		
	Bus Equipment Total	\$2,793,665	\$2,234,931	\$502,840 (\$55,894 State)		

2. Bus Garage Facility and Land

<u>Calendar Year</u>	<u>Item</u>	<u>Total Cost</u>	<u>Federal UTMA Funds</u>	<u>City of Green Bay Funds</u>
1975	WPSC Bus garage and land	\$205,700	\$164,560	\$41,140
1975	.43 Acres north of garage (Dorschel property)	68,500	54,800	13,700
1976	New gas boiler heating unit	21,738	17,390	4,348
1979	Garage roof replacement (North end)	34,262	27,410	6,852
1980	Installation of 2 air doors	9,960	7,968	1,992
1980	Interior garage renovation and office relocation	108,256	86,586	21,670
1981	.65 Acres south of garage (WPSC property)	78,300	62,640	15,660
1981	Demolition of WPSC power plant building	14,790	11,832	2,958
1982	Garage roof replacement (Middle Section)	50,212	0	50,212
1984	18,630 square foot addition to south end of garage, automatic bus washer, new fuel tanks and station, renovation work in old garage	988,524	790,819	197,705
1985	Renovate 2 lift hoists	13,253	10,602	2,651

<u>Calendar</u> <u>Year</u>	<u>Item</u>	<u>Total Cost</u>	<u>Federal</u> <u>UTMA Funds</u>	<u>City of Green</u> <u>Bay Funds</u>
1985	Demolition of Dorschele warehouse north of garage, parking lot paving	25,500	20,400	5,100
1985	Garage roof replacement (South end)	21,687	17,349	4,338
1986	Sewer separation in garage	<u>38,121</u>	<u>30,497</u>	<u>7,624</u>
	TOTAL	\$1,678,803	\$1,302,853	\$375,950

3. Passenger Waiting Areas

<u>Calendar Year</u>	<u>Item</u>	<u>Total Cost</u>	<u>Federal UTMA Funds</u>	<u>City of Green Bay Funds</u>
1978	22 Bus shelters	\$34,980	\$27,984	\$6,996
1979	Bus shelter base construction and benches	6,690	5,351	1,339
1980	700 Bus stop signs and sign posts	13,737	10,989	2,748
1982	Adams Street Transitway construction, shelters, paving, landscaping	<u>397,165</u>	<u>317,731</u>	<u>79,434</u>
	TOTAL	\$452,572	\$362,055	\$90,517

4. Maintenance and Office Equipment

<u>Calendar Year</u>	<u>Item</u>	<u>Total Cost</u>	<u>Federal UTMA Funds</u>	<u>City of Green Bay Funds</u>
1974	Tools and equipment from WPSC	\$21,500	\$17,200	\$4,300
1979	New 1979 Chevrolet pickup truck with snow plow	6,609	0	6,609
1980	Bus tire changer and wheel balancer	3,688	2,951	737
1980	Brake lathe	8,351	6,681	1,670
1985	Microcomputer hardware and software	21,201	16,961	4,240
1985	New GMC Service/Tow Truck	35,844	28,675	7,169
1986	New Mitsubishi forklift truck	<u>13,079</u>	<u>10,463</u>	<u>2,616</u>
	TOTAL	\$110,272	\$82,931	\$27,341

APPENDIX B

DRAFT GREEN BAY TRANSIT
SERVICE AGREEMENT

Draft

GREEN BAY TRANSIT SERVICE AGREEMENT

THIS AGREEMENT is made between the CITY OF GREEN BAY, WISCONSIN, hereinafter referred to as the "City", and the _____, hereinafter referred to as _____, on this _____ day of _____, 1986.

WHEREAS, the City is a Wisconsin municipal corporation acting by and through its authorized agents; and

WHEREAS, the City owns and operates a public transit system under the provisions of Wisconsin Statute 66.943; and

WHEREAS, both the Urban Mass Transportation Administration of the U. S. Department of Transportation and the State of Wisconsin Department of Transportation assist in the subsidization of the operating deficit under formula grant programs; and

WHEREAS, _____ seeks to contract with Green Bay for the provision of public transit service from Green Bay to and within _____; and

WHEREAS, Green Bay may contract with _____, for the receipt or furnishing of transit service under the provisions of Wisconsin Statute 66.30:

THE PARTIES HERETO AGREE AS FOLLOWS:

1. SERVICE LEVEL

During the term of this agreement, Green Bay shall operate regularly scheduled bus service to _____, as described in Attachment A. Any changes to the level of bus service, as described in Attachment A, will require the prior approval of the Green Bay Transit Commission and the appropriate legislative body of _____. Such changes in service levels may require a corresponding adjustment in the percentage share of the Gross Operating Cost attributable to _____.

2. FARE STRUCTURE

During the term of this agreement, the bus fares shown in Attachment B schedule of tariff shall be in effect.

3. DEFINITION OF TRANSIT SYSTEM EXPENSES

- (a) Operating Expenses mean costs accrued to the Green Bay Transit System by virtue of its operations, as defined in Wisconsin Statute 85.20 (1) (g) and in TRANS 4.04 Wisconsin Administrative Code, as per the Wisconsin Department of Transportation operating assistance contract with Green Bay for the period of January 1, 1987 through December 31, 1987.
- (b) Depreciation Expenses are defined as the amount necessary to offset the scheduled depreciation of capital assets of the Green Bay Transit System. Capital assets include all transit facilities, vehicles, and equipment that have a tangible, long term value. Depreciation schedules shall be based on the acquisition price and the useful life expectancy of each individual capital asset, with the length of the depreciation period varying according to the class of asset depreciated. For depreciation purposes, the value of those capital assets that are acquired with partial federal and state funding assistance shall include only the local share of the acquisition price. The amount of depreciation payments shall be adjusted on an annual basis, if necessary, to reflect actual costs.

4. DEFINITION OF TRANSIT SYSTEM REVENUE

- (a) Farebox Revenue is defined as the total of cash, single-ride ticket, and monthly pass passenger fares collected through the farebox in the course of daily bus operations.
- (b) Other Operating Revenue is defined as all monies received from the sale of on-bus advertising, special fare subsidies from government agencies, and proceeds from the sale of used motor oil and bus parts, and all other sources.
- (c) Total Operating Revenues are defined as the total revenues from bus passenger fares and other revenue as cited above.

5. DEFINITION OF TRANSIT SYSTEM DEFICIT

Net operating deficit is defined as the Wisconsin Department of Transportation eligible operating expense, minus total operating revenue.

6. METHOD OF ALLOCATING TRANSIT EXPENSES BY MUNICIPALITY

Operating expenses and depreciation expense are allocated to each municipality, based upon the percentage of total annual bus miles operated within a municipality as a proportion of the total miles of service provided to all participating municipalities.

7. PAYMENT SCHEDULE

_____ agrees to pay Green Bay an amount equal to its proportionate share of projected annual operating deficit and depreciation expenses of the Green Bay Transit System. These payments will be made in four equal amounts and are due on or before the following dates during each calendar year: January 15; April 1; July 1; and October 1. Green Bay will send _____ an invoice four weeks in advance of the due date of such payments.

8. REIMBURSEMENT OF FEDERAL AND STATE FUNDS

All operating assistance grant revenues received from federal and state sources will be used, to the full extent of those funds, to reimburse each participating municipality for its proportionate share of its eligible operating deficit. The federal and state assistance reimbursement will be based on the percentage of total bus miles operated as outlined in paragraph 7. Such payments will be made within twenty (20) days of actual receipt of all applicable federal and state operating assistance funds.

9. FINAL RECONCILIATION

An independent financial audit will be conducted by a qualified firm to determine the actual operating deficit and the proportionate share of actual cost for each participating municipality. A final reconciliation statement, based upon the results of the financial audit, will be provided to _____ no later than May 1st of the following calendar year. Any necessary adjustments of overpayment or underpayment by _____ will be made in the

next calendar year following publication of the financial audit report. For example, calendar 1986 overpayments will be credited on the calendar 1988 quarterly billings, based on a May, 1987 audit report.

10. FINANCING OF CAPITAL ASSETS

- (a) Depreciation payments will be made in accordance with the upcoming calendar year percentage of bus miles traveled within the municipality times the previous years audited facility and equipment depreciation expense. All depreciation payments and proceeds received by Green Bay from the disposition of any capital assets will be recorded and deposited in a separate capital purchase account. The local municipality depreciation funds and any accrued interest earned on their investment will be used only toward the acquisition and/or replacement of communal capital assets necessary to provide transit service with the entire system.
- (b) If the total of these accumulated funds is inadequate to finance the local share cost of a communal capital asset(s), Green Bay will advance the necessary monies for the acquisition.
- (c) If a capital asset can be proven to directly and exclusively benefit one municipality, that municipality will be required to pay the local matching share to acquire the asset. No such capital assets shall be acquired without the prior approval of the affected municipality.

11. INSURANCE

At all times during which Green Bay shall provide the above-cited bus service in _____, Green Bay shall carry and keep in force insurance coverage insuring Green Bay against liability for personal injuries or property damage arising out of the operation of such bus service, and covering each and all of the buses used by Green Bay in that service.

12. RECORD/INFORMATION TO BE PROVIDED

- (a) Green Bay will notify _____ in advance of all Green Bay Transit Commission meetings and will provide copies of the minutes of such meetings.

- (b) Green Bay will arrange to have its financial records audited annually by an independent auditor and to provide _____ with a copy of the final audit report. In addition, a designated representative of _____ may inspect the financial records of Green Bay, upon request.

13. OPERATING AUTHORITY

Green Bay shall have sole and ultimate authority and responsibility for the operation, control, and direction of bus service operated within _____, pursuant to this agreement, and in accordance with terms herein.

14. TERMINATION

Either party may terminate the AGREEMENT ninety (90) days following the delivery of a written notice to the other party. _____ will pay for pro-rated service cost up to and including the last day of service.

15. DISPOSITION OF CAPITAL ASSETS UPON TEMRINATION

If, as a result of the termination of this AGREEMENT, any capital asset acquired with federal financial participation will no longer be used for transit purposes, that asset will be disposed of in accordance with prevailing Federal Urban Mass Transportation regulations. The proceeds from the disposal of the asset will be distributed to federal and local sources in proportion to their original contribution. The local share of those proceeds will be redistributed to the participating municipalities, as follows:

- (a) If _____ unilaterally terminates the agreement, _____ will receive payment only for the current local share value of any direct benefit capital assets previously acquired by _____.
_____ will also be given right of first refusal to buy out the non-local share value of any such asset(s) at the currently appraised fair market value.
- (b) If Green Bay finds it is necessary to temrinate all AGREEMENTS system-wide and to dispose of all assets, _____ will receive payment for the following:

- (1) One hundred (100) percent of the current local share value of any direct benefit capital asset(s) acquired by _____.
- (2) Its proportionate allotment, based on current percentage of total bus miles operated, of the balance of the communal assets' depreciation fund.

16. MISCELLANEOUS

In no event shall Green Bay be deemed to be in default of any provision of this AGREEMENT for failure to perform, where such failure is due to strikes, walkouts, riots, civil insurrectons or disorders, act of God, adverse weather conditions, or for any other cause or causes beyond the control of Green Bay.

17. TERM OF AGREEMENT

This AGREEMENT will remain in effect until modified or terminated and will be binding upon the parties mutually and upon their successors and assigns.

IN WITNESS WHEREOF, the parties have affixed their hands and seals this _____ day of _____, 198__.

VILLAGE (CITY) OF _____ CITY OF GREEN BAY

BY: _____ BY: _____

Name: _____ Name: Samuel J. Halloin
 Title: _____ Title: Mayor

ATTEST: _____ ATTEST: _____

Name: _____ Name: Paul J. Janquart
 Title: _____ Title: City Clerk







NOTICE

This document is disseminated under the sponsorship of the Department of Transportation in the interest of information exchange. The United States Government assumes no liability for its contents or use thereof.

The United States Government does not endorse manufacturers or products. Trade names appear in the document only because they are essential to the content of the report.

This report is being distributed through the U.S. Department of Transportation's Technology Sharing Program.

DOT-I-87-05

DOT LIBRARY



00399657

DOT 07 05

TECHNOLOGY SHARING

A PROGRAM OF THE U.S. DEPARTMENT OF TRANSPORTATION